



# California Department of Education Fiscal Monitoring (FM) 2017–18 Program Instrument

## III. Funding

### FM 01: Timekeeping Requirements

1.0 Ensure that the local educational agency (LEA) properly charges and documents salaries and wages that are reasonable, necessary, and allowable in accordance with applicable program requirements. (2 Code of Federal Regulations (CFR) sections (§§) 200.430(a) and (i); 2 CFR §§ 200.61-62 and 200.302)

- (a) Title I, Part A – Resource Code 3010
- (b) Title I, Part C – Resource Code 3060 and 3061
- (c) Title II, Part A – Resource Code 4035
- (d) Title III – Resource Code 4203
- (e) Title IV – Resource Code 4124

### Evidence Request Titles

Chart of Accounts (FM 01, FM 02, FM 03, FM 04)

Duty statements (BASP 12, BASP 15, FM 01, FM 03, ME 09)

General Ledger (CE 12, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, AE 03, ME 07, ITQ 03, ITQ 04)

LEA Spending Plan (FM 01, FM 02, FM 03, FM 05)

Payroll Records (FM 01, FM 03, ME 09)

Personnel Activity Reports (PARs) (CE 10, CE 13, FM 01, FM 03, HE 10, NorD 12)

Position Control Report

Single Plan for Student Achievement (SPSA) (CE 05, CE 06, CE 09, CE 16, FM 01, FM 02, FM 03, FM 05, ME 05, ME 13, NorD 05, Nord 06)

Time and Effort Policy and Practices

### FM 02: Allowable Costs

2.0 Ensure the LEA charges costs to the program that are reasonable, necessary, and allowable in accordance with applicable statutes, regulations, and program plans for the following programs: (2 CFR §§ 200.317-326 and 200.400-475)

- (a) Title I, Part A – Resource Code 3010
- (b) Title I, Part C (20 United States Code (U.S.C.) section (§) 6394 [c][1][A]) – Resource Code 3060 and 3061

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(c) Title II, Part A – Resource Code 4035

(d) Title III – Resource Code 4203

### Evidence Request Titles

Chart of Accounts (FM 01, FM 02, FM 03, FM 04)

General Ledger (CE 12, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, AE 03, ME 07, ITQ 03, ITQ 04)

Invoices (FM 02, FM 03, ITQ 05, ITQ 06, ITQ 07)

LEA Spending Plan (FM 01, FM 02, FM 03, FM 05)

Periodic Certifications (FM 01, FM 03)

Procurement Policies and Procedures (FM 02, FM 03)

Subcontractor Agreements (FM 02, FM 03)

Single Plan for Student Achievement (SPSA) (CE 05, CE 06, CE 09, CE 16, FM 01, FM 02, FM 03, FM 05, ME 05, ME 13, NorD 05, Nord 06)

### FM 03: Supplement, Not Supplant

3.0 Ensure the LEA uses federal funds only to supplement, and not supplant, state and local funds for the following programs:

(a) Title I, Part A (20 U.S.C. § 6321[b]; Every Student Succeeds Act (ESSA) § 1118)

Resource Code 3010

(b) Title I, Part C (20 U.S.C. §§ 6321[b] and 6394[c][2])

Resource Code 3060 and 3061

(c) Title II, Part A (20 U.S.C. § 6321)

Resource Code 4035

(d) Title III (20 U.S.C. § 6825[g]; Title 5, *California Code of Regulations* (5 CCR) 4320[a]; *California Education Code (EC)* §§ 52168[b] and [c] 54025[c])

Resource Code 4203

(e) Title IV (*EC*) § 8483.5[e]; 20 U.S.C. § 7174[b][2][G])

Resource Code 4124

### Evidence Request Titles

Chart of Accounts (FM 01, FM 02, FM 03, FM 04)

Duty statements (BASP 12, BASP 15, FM 01, FM 03, ME 09)

## **2017–18 FM Program Instrument (Continued)**

General Ledger (AE 03, CE 09, CE 10, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, ITQ 05, ITQ 06, ITQ 07)

Invoices (FM 02, FM 03, ITQ 05, ITQ 06, ITQ 07)

LEA Spending Plan (FM 01, FM 02, FM 03, FM 05)

Personnel Activity Reports (PARs) (CE 10, CE 13, FM 01, FM 03, HE 10, NorD 12)

Payroll Records (FM 01, FM 03, ME 09)

Periodic Certifications (FM 01, FM 03)

Procurement Policies and Procedures (FM 02, FM 03)

Subcontractor Agreements (FM 02, FM 03)

Single Plan for Student Achievement (SPSA) (CE 05, CE 06, CE 09, CE 16, FM 01, FM 02, FM 03, FM 05, ME 05, ME 13, NorD 05, Nord 06)

State and Local Funding Allocation

### **FM 04: Cash Management**

4.0 Verify that the LEA is properly calculating, reporting, and remitting interest earned on unspent federal advances for the following programs: (2 CFR 200.302 and 200.305(b)(9))

- (a) Title I, Part A – Resource Code 3010
- (b) Title I, Part C – Resource Code 3060 and 3061
- (c) Title II, Part A – Resource Code 4035
- (d) Title III – Resource Code 4203
- (e) Title IV – Resource Code 4124

### **Evidence Request Titles**

Bank Statements

Cash Balance Report

Chart of Accounts (FM 01, FM 02, FM 03, FM 04)

General Ledger (AE 03, CE 09, CE 10, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, ITQ 05, ITQ 06, ITQ 07)

Interest Remittances (date and amount)

LEA Interest Calculation

LEA Interest Calculation Methodology

## 2017–18 FM Program Instrument (Continued)

### FM 05: Funding

5.0 Ensure that the LEA allocates Title I, Part A funds to school sites in accordance with the approved allocation formulas contained in the consolidated application. The school site council must annually review, update, and approve the school plans for student achievement, including the proposed expenditures of all Title I, Part A funds allocated to the school site in accordance with the Consolidated Application; and the local governing board must review and approve the school plans annually or whenever there are material changes to the plan. (*EC* §§ 62002, 64000[b] and [c], 64001[g]); *ESSA* § 1007).

#### Evidence Request Titles

General Ledger (AE 03, CE 09, CE 10, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, ITQ 05, ITQ 06, ITQ 07)

LEA Spending Plan (FM 01, FM 02, FM 03, FM 05)

School Funding Notification Letters

Single Plan for Student Achievement (SPSA) (CE 05, CE 06, CE 09, CE 16, FM 01, FM 02, FM 03, FM 05, ME 05, ME 13, NorD 05, Nord 06)

### FM 06: Reporting

6.0 Ensure that the LEA complied with the accountability and reporting requirements for the following program:

(a) Title IV (*EC* §§ 8482.3[f][5] and 8484.8[b][3] and [4]) – Resource Code 4124

#### Evidence Request Titles

General Ledger (AE 03, CE 09, CE 10, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, ITQ 05, ITQ 06, ITQ 07)

## 2017–18 FM Program Instrument (Continued)

### 2017–18 FM Evidence Requests

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#### Bank Statements

BnkStmnts

**Description:** Documentation substantiating that the LEA maintained federal funds in interest bearing account(s).

**Item Instructions:**

**Related Items:** FM 04

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#### Cash Balance Report

CshBalRpt

**Description:** Documentation identifying the LEA's average daily (or monthly) cash balances of unspent federal advances.

**Item Instructions:** FM 04: Provide full detail, not summaries.

**Related Items:** FM 04

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#### Chart of Accounts

CtAccts

**Description:** A list of the established accounts used by the LEA including resource, object, site, etc.

**Item Instructions:**

**Related Items:** FM 01, FM 02, FM 03, FM 04

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### Duty statements

DtyStmnt

**Description:** A written description of the specific employee's responsibilities and activities, as agreed to by employer and employee.

**Item Instructions:** FM 01: Once the complete Payroll Records, Position Control Report and General Ledger have been provided, the reviewer will select a sample of positions for review; Duty Statements should be provided for each of these positions.

FM 03: Once the complete Payroll Records, Position Control Report and General Ledger have been provided, the reviewer will select a sample of positions for review; Duty Statements should be provided for each of these positions.

**Related Items:** BASP 12, BASP 15, FM 01, FM 03, ME 09

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### General Ledger

GnLdgr

**Description:** Detailed General Ledger for the specific resource code(s) being reviewed. The General Ledger should include the date, description, vendor name, and total amount for each expenditure line item.

**Item Instructions:** FM 03: Documentation should include the date, description, vendor name, and total amount for each expenditure line item for the entire period under review.

**Related Items:** AE 03, CE 09, CE 10, CTE 05, FM 01, FM 02, FM 03, FM 04, FM 05, FM 06, ITQ 05, ITQ 06, ITQ 07

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### Interest Remittances (date and amount)

IntrstRmtncs

**Description:** Documentation substantiating that interest earned on federal advances has been remitted to the California Department of Education (CDE).

**Item Instructions:** FM 04: Documentation may include copies of notification to the CDE of balance due and a copy of a check remitted, or copy of notification to the CDE that no interest was due.

**Related Items:** FM 04

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## 2017–18 FM Program Instrument (Continued)

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### Invoices

Invcs

**Description:** Vendor invoices, detailed receipts or documentation to substantiate how costs benefited programs.

**Item Instructions:** FM 02: Once the General Ledger is uploaded, the reviewer will select specific invoices for detail review. Invoices should be itemized to identify exactly what was purchased.

FM 03: Once the General Ledger is uploaded, the reviewer will select specific invoices for detail review. Invoices should be itemized to identify exactly what was purchased.

**Related Items:** FM 02, FM 03, ITQ 05, ITQ 06, ITQ 07

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### LEA Interest Calculation

LEAIntClc

**Description:** LEA's calculation of interest earned on federal advances.

**Item Instructions:** FM 04: Provide the full calculation detail, not summaries. The interest calculation documentation should include the average daily or monthly cash balances, specific resources included, annual interest rate, and calculations.

**Related Items:** FM 04

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### LEA Interest Calculation Methodology

LEAIntClcMthdlgy

**Description:** LEA's established written procedures for calculating interest earned on federal advances.

**Item Instructions:** FM 04: This should be the LEA's specific process for calculating interest on federal advances.

**Related Items:** FM 04

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## 2017–18 FM Program Instrument (Continued)

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### LEA Spending Plan

LEASpndPIn

**Description:** Documentation detailing how the LEA plans to expend federal funds.

**Item Instructions:**

**Related Items:** FM 01, FM 02, FM 03, FM 05

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### Personnel Activity Reports (PARs)

PAR

**Description:** Personnel Activity Reports (PARs) for the agency and selected sites with positions funded with Categorical Program funds.

**Item Instructions:** FM 01: Once Payroll Records and Position Control Report have been uploaded, the reviewer will select employees for whom time accounting records must be provided. Budget estimates do not qualify as support.

FM 03: Once Payroll Records and Position Control Report have been uploaded, the reviewer will select employees for whom time accounting records must be provided. Budget estimates do not qualify as support.

**Related Items:** CE 10, CE 13, FM 01, FM 03, HE 10, NorD 12

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### Position Control Report

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**Description:** Report of employees planned to be paid in whole, or part, with federal funds by resource code for federal programs in the fiscal year under review.

**Item Instructions:** FM 01: Report must include the employee name, title, site location, salary and full-time equivalent (FTE) of the employee.

**Related Items:** FM 01

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## 2017–18 FM Program Instrument (Continued)

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### Procurement Policies and Procedures

PrcrmntPlcyPrctcs

**Description:** LEA's established written policies and procedures over the purchasing and payment process.

**Item Instructions:** FM 02: The documentation provided should be specific to the LEA's procurement process.

**Related Items:** FM 02, FM 03

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### Periodic Certifications

PrdcCrtfctns

**Description:** Certifications for employees who work solely on a single federal award or cost objective.

**Item Instructions:** FM 01: Once the Payroll Records, Position Control Report, and General Ledger have been uploaded, the reviewer will select employees for whom time accounting records must be provided.

FM 03: Once the Payroll Records, Position Control Report, and General Ledger have been uploaded, the reviewer will select employees for whom time accounting records must be provided.

**Related Items:** FM 01, FM 03

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### Payroll Records

PyrlRcrds

**Description:** Record for the fiscal year under review that identifies employee name, hours worked, gross pay, net pay, deductions and payroll date.

**Item Instructions:** FM 01: This district-wide report should include the employees' name, resource code(s), salary and benefits for all funding sources during the fiscal year.

FM 03: This district-wide report should include the employees' name, resource code(s), salary and benefits for all funding sources during the fiscal year.

**Related Items:** FM 01, FM 03, ME 09

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## 2017–18 FM Program Instrument (Continued)

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### School Funding Notification Letters

SchIFndgNtfctnLtr

<b>Description:</b>	Documentation sent notifying each school site of its Title I, Part A allocation amount.
<b>Item Instructions:</b>	FM 05: Email, letter, LEA budgetary chart, or other documentation used to notify schools should be provided.
<b>Related Items:</b>	FM 05

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### Single Plan for Student Achievement (SPSA)

SPSA

<b>Description:</b>	Current-year SPSA reviewed by the SSC. Identify school name for each SPSA. Include page references for each instrument item and fund source using the description on the document upload screen.
<b>Item Instructions:</b>	<p>FM 01: Ensure that the SPSA documentation includes detailed budget information and evidence of required approvals by the SSC and local governing board.</p> <p>FM 02: Ensure that the SPSA documentation includes detailed budget information and evidence of required approvals by the SSC and local governing board.</p> <p>FM 03: Ensure that the SPSA documentation includes detailed budget information and evidence of required approvals by the SSC and local governing board.</p> <p>FM 05: Ensure that the SPSA documentation includes detailed budget information and evidence of required approvals by the SSC and local governing board.</p>
<b>Related Items:</b>	CE 05, CE 06, CE 09, CE 16, FM 01, FM 02, FM 03, FM 05, ME 05, ME 13, NorD 05, Nord 06

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## 2017–18 FM Program Instrument (Continued)

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### State and Local Funding Allocation

StLclFndg

**Description:** Documentation demonstrating that federal funds were used to supplement state and local funding.

**Item Instructions:** FM 03: LEA specific procedures for distributing state and local funds to school sites to substantiate that funds are distributed equitably.

**Related Items:** FM 03

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### Subcontractor Agreements

SbcntrctorAgrmnts

**Description:** Agreements with subcontractors for services provided and charged to federal programs, as applicable.

**Item Instructions:** FM 02: Once the General Ledger is provided, the reviewer may select a sample of subcontractor agreement transactions for review.

FM 03: Once the General Ledger is provided, the reviewer may select a sample of subcontractor agreement transactions for review.

**Related Items:** FM 02, FM 03

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### Time and Effort Policy and Practices

TmEfrtPlcyPrcts

**Description:** LEA's established written policies and practices for documenting time and effort of employees that work on federal programs.

**Item Instructions:** FM01: The documentation should include the LEA's specific policies and practices for documenting actual hours worked, including related internal controls and reconciliation processes.

**Related Items:** FM 01

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